

Message Text

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TAGS: EAID UNDP

SUBJ: FUTURE ROLE AND ORGANIZATION OF UNDP

REF: STATE 86320

SUMMARY: IN VIEW OF RESIDENT REPRESENTATIVE, UNDP CONTINUES TO PLAY AN IMPORTANT ROLE IN THIRD WORLD DEVELOPMENT AND, ALTHOUGH CERATIN BUREAUCRATIC INEFFICIENCIES EXIST, UNDP AND COOPERATING SPECIALIZED AGENCIES ARE EFFECTIVELY WORKING TOGETHER TO ACCOMPLISH MISSIONS. NO MAJOR ORGANIZATIONAL CHANGES ARE RECOMMENDED. LIKEWISE, NO CHANGE IS ENVISIONED IN THE ROLE OF UNDP AS PRIMARILY A FACILITATOR OF TECHNOLOGY TRANSFERS AND A S STIMULATOR OF PUBLIC AND PRIVATE CAPITAL INVESTMENT. TRANSFORMATION OF ANNUAL FINANCIAL CONTRIBUTIONS TO FIVE-YEAR COMMITMENT WHICH WOULD CONFORM TO THE UNDP BUDGETARY CYCLE IS HIGHLY DESIRABLE BUT VIEWED AS POLITICALLY UNPALATABLE TO COUNTRIES PROVIDING MAJOR FINANCIAL SUPPORT. END SUMMARY.

1. EMBASSY CONTACTED UNDP RESIDENT REPRESENTATIVE, JAIME RENART, REGARDING ISSUES NOTED IN REFTEL THAT ARE LIKELY TO BE RAISED AT 24TH UNDP GOVERNING COUNCIL MEETING IN JUNE. RENART, A LIMITED OFFICIAL USE

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VETERAN DEVELOPMENT SPECIALIST WHO HAS SERVED AT UNDP POSTS IN LATIN AMERICA, AFRICA AND THE MIDDLE EAST, SPOKE FREELY ON THE ORGANIZATION'S ROLE WITHIN THE UN AND POINTED OUT ORGANIZATIONAL STRENGTHS AND WEAKNESSES IN FIANANCING AND EXECUTING DEVELOPMENT PROJECTS. HIS VIEWS ARE SUMMARIZED BELOW:

A. FUTURE ROLE OF UNDP: UNDP WILL CONTINUE TO PLAY AN

IMPORTANT ROLE IN THIRD-WORLD DEVELOPMENT. THIS ROLE, HOWEVER, SHOULD BE LIMITED TO FACILITATING TECHNOLOGY TRANSFERS FROM DEVELOPED TO LESS DEVELOPED COUNTRIES AND TO STIMULATING CAPITAL INVESTMENT IN THE LATTER GROUP FROM BOTH PUBLIC AND PRIVATE SOURCES. UNDP SHOULD NOT EXPECT TO COMPETE WITH THE WORLD BANK IN MAKING LARGE-SCALE CAPITAL INVESTMENTS ALTHOUGH THE PROVISION OF SEED MONEY FOR MAJOR INVESTMENT PROJECTS, FOR WHICH UNDP'S CAPITAL DEVELOPMENT FUND WAS ESTABLISHED, IS AN APPROPRIATE FUNCTION. UNDP SHOULD CONTINUE TO OFFER A BROAD MIX OF PROGRAMS TO PROVIDE SUPPORT TO ALL ASPECTS OF A COUNTRY'S DEVELOPMENT, I.E., INDUSTRY, AGRICULTURE, INFRASTRUCTURE, EDUCATION, HEALTH SERVICES, ETC. TO A LARGE EXTENT, UNDP'S DEVELOPMENT ROLE IS SHAPED, AS IT SHOULD BE, BY THE RECIPIENT COUNTRY WHICH PROPOSES PROJECTS TO BE INCLUDED IN THE AID PROGRAM. NO ADDITIONAL TECHNICAL SERVICES ARE RECOMMENDED.

B. PROJECT EVALUATION: WITHIN UNDP AND THE SPECIALIZED AGENCIES THE SYSTEM OF PROJECT EVALUATION IS, GENERALLY SPEAKING, FUNCTIONING PROPERLY. UNDP FIELD OFFICES SUBMIT REGULAR REPORTS TO HEADQUARTERS AND INTERESTED SPECIALIZED AGENCIES. OF EVEN GREATER IMPORTANCE ARE PERIODIC MEETINGS OF RESIDENT REPRESENTATIVES WHICH PROVIDE A FORUM FOR HEALTHY EXCHANGE OF EXPERIENCES BASED ON WIDE VARIETY OF PROJECTS BEING CARRIED OUT THROUGHOUT THE WORLD. MAJOR DEFICIENCIES IN PROJECT EVALUATION ARE FOUND MOST OFTEN WITHIN RECIPIENT COUNTRIES, PARTICULARLY THE LEAST DEVELOPED. SOME OF THESE COUNTRIES WILL ASSIST IN SETTING UP A PROJECT AND THEN PROVIDE LITTLE OR NO FOLLOW-UP TO ASSESS ITS PROGRESS AND/OR EFFECTIVENESS.

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C. COORDINATION: ONE OF UNDP'S PRIMARY MISSIONS IS COORDINATION SINCE IT HAS NO TECHNICAL EXPERTISE ITSELF AND MUST PROCURE STAFF TO CARRY OUT PROJECTS FROM THE OTHER SPECIALIZED AGENCIES AND PRIVATE ORGANIZATIONS. THE STRUCTURE OF INTER-AGENCY BOARDS AND COMMITTEES PERMITS EFFECTIVE COORDINATION OF AID PROGRAMS ALTHOUGH, AS IN ALL MULTI-ORGANIZATION FORA, BUREAUCRATIC INFIGHTING SOMETIMES DELAYS PROGRAM FORMATION AND HAMPERS EXECUTION. OPERATING EFFICIENCY WITHIN UNDP ITSELF IS EXPECTED TO BE IMPROVED BY THE CURRENT DECENTRALIZATION PLAN WHICH WILL REDUCE THE HEADQUARTERS STAFF AND INCREASE RESPONSIBILITY OF REGIONAL AND COUNTRY OFFICES. THE FUNCTION OF THE RESIDENT REPRESENTATIVE AS A COORDINATOR AND TEAM LEADER OF PROGRAMS WITHIN THE RECIPIENT COUNTRY IS CONSISTENT WITH THE ROLE OF UNDP WITHIN THE UN.

D. FINANCIAL RESOURCES: THE CURRENT ARRANGEMENT FOR FINANCING UNDP PROJECTS THROUGH ANNUAL CONTRIBUTIONS MAKES LONG-TERM PLANNING EXTREMELY DIFFICULT AS UNDP CANNOT BE CERTAIN OF THE LEVEL OF FUNDING FROM ONE YEAR TO THE NEXT.

FINANCIAL COMMITMENTS SHOULD BE MADE FOR TWO OR MORE YEARS AND, IDEALLY, SHOULD CONFORM TO UNDP'S FIVE-YEAR BUDGETARY CYCLE. THERE IS WIDESPREAD RECOGNITION AMONG UNDP STAFFERS, HOWEVER, THAT LONG-TERM COMMITMENTS ARE POLITICALLY UNPALATABLE TO THE LEGISLATIVE BODIES OF MAJOR CONTRIBUTING NATIONS, INCLUDING THE UNITED STATES. COST-SHARING WITH RECIPIENT COUNTRIES AS A WAY TO INCREASE RESOURCES FOR UNDP PROGRAMS HAS ALREADY BEEN IMPLEMENTED, ALBEIT ON A SMALL SCALE. IT IS DEBATABLE WHETHER RECIPIENT COUNTRIES WILL BE WILLING TO SHARE A GREATER FINANCIAL BURDEN FOR UNDP PROGRAMS. INCREASED FUNDING MAY ALSO FLOW FROM THE MORE DEVELOPED LDC'S WHO HAVE BENEFITTED FROM UNDP PROGRAMS IN THE PAST AND SHOULD BE IN POSITION TO SUBSTANTIALLY RAISE THEIR CONTRIBUTIONS. THIS INCLUDES MOST OPEC COUNTRIES WHICH, WITH THE EXCEPTION OF KUWAIT, PRESENTLY RECEIVE MORE IN UNDP AID THAN THEY CONTRIBUTE.

E. SINGLE VS. MULTIPLE FUND: THE CONTINUATION OF A SINGLE LIMITED OFFICIAL USE

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GENERAL UNDP FUND IS ADVISABLE.

2. COMMENTS: IT IS CLEAR FROM RESIDENT REPRESENTATIVE'S COMMENTS THAT HE NEITHER ENVISAGES NOR RECOMMENDS (WITH THE EXCEPTION OF TERMS OF FINANCIAL CONTRIBUTIONS) THAT ANY MAJOR CHANGES IN UNDP'S ROLE OR ORGANIZATION BE CONSIDERED AT JUNE MEETINGS OF THE GOVERNING COUNCIL. POST WOULD LIKE TO BE KEPT INFORMED OF DEPARTMENT VIEWS ON UNDP AND ANY PROPOSALS FOR ALTERING ITS ACTIVITIES AND MODE OF OPERATIONS.
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